

SMALL EMPLOYER CONTRACT AGREEMENT

THIS AGREEMENT has been entered into between Koch Refrigeration and Air Conditioning, Inc., its successors and assigns, hereinafter designated as the "Employer" and the United Food and Commercial Workers Union Local 75, hereinafter designated as the "Union."

ARTICLE 1. INTENT AND PURPOSE

The Employer and the Union each represent that the purpose and the intent of this Agreement is to promote cooperation and harmony, to recognize mutual interests, to provide a channel through which information and problems may be transmitted from one to the other, to formulate rules to govern the relationship between the Union and the Employer, to promote efficiency and service, and to set forth herein the basic agreements covering rates of pay, hours of work and conditions of employment.

ARTICLE 2. COVERAGE

The Union shall be the sole and exclusive bargaining agent for all employees in each of the Employer's locations.

ARTICLE 3. UNION SHOP CONDITIONS & CHECKOFF

3.1 Union Shop - It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the execution date of this Agreement shall remain members in good standing and those who are not members on the execution date of this Agreement shall, on the thirty-first (31st) day following the execution date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees hired on or after its execution date shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. The Employer may secure new employees from any source whatsoever.

During the first thirty (30) calendar days of employment, a new employee shall be on a trial basis and may be discharged at the discretion of the Employer, and such discharge shall not be subject to the Grievance and Arbitration Procedure.

3.2 Checkoff - The Employer agrees to deduct weekly Union dues and/or service fees and uniform assessments from wages of employees in the bargaining unit who individually certify, in writing, authorization for such deduction in a form authorized by law. The Employer agrees, in the case of new Union members, to deduct the Union

initiation fee and, in the case of a non-member, an initial service fee from the wages of any new or non-member Union employee who certifies in writing authorization for such deduction in a form authorized by law.

In the event no wages are then due the employee, or are insufficient to cover the required deduction, the deduction for such week shall nevertheless be made from the first wages of adequate amount next due the employee, and thereupon transmitted to the Union.

Upon written request by an authorized representative of the Union, the Employer agrees to dismiss any employee within five (5) days from receipt of such request for failure to comply with Article 3, Section 3.1, limited only by the Labor Management Relations Act of 1947.

3.3 Active Ballot Club - The Employer agrees to transmit the Local Union contribution deductions to the UFCW Active Ballot Club from employees who are Union members, and who sign deduction authorization cards. The deductions shall be in the amount specified on the political contribution deduction authorization card and shall be deducted not more than once each week.

3.4 New Employees - The Employer agrees to give the Union a list of new employees weekly showing employees name, residence address, Social Security number, business location, date of employment, and birth date.

3.5 Union Visitation - Any accredited Union official of Local No. 75 shall be granted access to the location at any time that the location is open for business for the purpose of satisfying themselves that the terms of this Agreement are being complied with. It is understood, however, that the Union Representative will, upon entering the location, make their presence know to the location manager or their representative. It is further understood that there will be no unreasonable interference with efficient business operation.

3.6 Other Agreements - The Employer, through any part of management, agrees not to enter into any agreement or contract with their employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

3.7 Bulletin Board - The Employer agrees to provide a bulletin board in each location and will permit the Union to post and maintain any notices pertaining to Union business, provided that such notices are approved by the Human Resource Manager before posting.

3.8 Union Steward - The Union shall have the right to designate a steward.

3.9 Union Counselor - The Union shall have the right to designate a Union Counselor in each store.

ARTICLE 4. CONFORMITY TO LAW

4.1 Nothing contained in this Agreement is intended to violate any federal and/or state law, rule, or regulations made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part shall be null and void, and the parties agree that they will, within thirty (30) days, begin negotiations to replace said void part with a valid provision.

4.2 The Employer and the Union agree to continue to uphold the principles of non-discrimination based on race, color, sex, religion, national origin, age, disability, Union activity and veteran status.

ARTICLE 5. MANAGEMENT RIGHTS

5.1 The management of the business and the direction of the working forces, including the right to plan, direct and control shop conditions, hire, suspend or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other legitimate reasons, the right to study or introduce new or improved production methods or facilities and the right to establish and maintain reasonable rules and regulations covering the operation of the business, a violation of which shall be among the causes for discharge, are vested in the Employer; provided however, that this right shall be exercised with due regard for the rights of the employees, and provided further that it will not be used for the purpose of discrimination against any employees.

ARTICLE 6. GRIEVANCE & ARBITRATION PROCEDURE

6.1 Grievance Procedure - The term grievance comprehends any complaint, difficulty, disagreement or dispute between the Employer and the Union or any employee covered by this Agreement, and which complaint, difficulty, disagreement or dispute pertains to the interpretation or application of any and all provisions of this Agreement. Should any grievance rise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of both parties to settle same promptly through the following steps.

Step 1. By conference between the aggrieved employee, the job steward or both and/or a representative of the Union and the manager. If the grievance is not settled, it shall be reduced to writing with copies to the Union and Employer and referred within ten (10) days to Step 2, unless such time period is mutually extended by the Union.

Step 2. By conference between the Union representative and/or the executive officer of the Union, the Human Resource Manager and/or a representative delegated by the Employer.

In the event the grievance is not settled in this Step, a written response will be exchanged by the parties within twenty (20) days from the Step 3 conference, unless otherwise mutually agreed to.

Step 3. In the event the last step fails to settle satisfactorily the grievance and either party wishes to submit it to arbitration, the party desiring arbitration must so advise the other party in writing within forty-five (45) days from the Step 3 written response or the grievance will be considered settled in Step 3.

6.2 Timeliness of Grievances - No grievance will be considered or discussed unless the outlined procedure has been followed and the grievance presented within ten (10) days, except a grievance arising from an error in the rate of pay may be presented within two (2) years.

Grievances may arise of a general nature affecting or tending to affect an employee or employees. Such grievances may be initiated at any of the above steps deemed appropriate by the parties.

6.3 Arbitration - The Board of Arbitration shall consist of one (1) person appointed by the Union and one (1) person appointed by the Employer.

Said two (2) persons shall, within ten (10) days after disagreement, unless mutually extended, select a third (3rd) arbitrator from the panel of twelve (12) permanent arbitrators as provided for in Appendix, each of whom has agreed to act in this capacity. The decision of the third (3rd) arbitrator shall be binding on both parties. The expenses of the third (3rd) arbitrator shall be paid for jointly.

The Board of Arbitration is not vested with the power to change, modify or alter this Agreement, but only to interpret the provisions of the Agreement.

It is agreed that the panel of permanent arbitrators will remain at twelve (12) during the term of this Agreement, and if for any reason an arbitrator would withdraw from the panel, the Union and the Employer agree to meet within thirty (30) days to select a replacement.

Grievances shall be submitted to the permanent arbitrators in rotation, provided however, that the parties may select an arbitrator in deference to rotation if the arbitrator, otherwise called upon to hear the grievance, is unavailable. The party requesting arbitration shall notify the arbitrator in writing of their appointment with a copy to the other party.

6.4 Expedited Arbitration - The parties agree that in lieu of following the procedures outlined above in Section 6.3 of this Article, by mutual agreement, a special expedited arbitration process may be utilized.

In such case(s), the parties agree that no attorney will serve as the representative of either party, briefs will be waived, and no stenographic or mechanical transcript of the proceedings will be made.

It is further agreed that an arbitrator mutually selected to hear such a case must agree in advance to render a short form written decision within forty-eight (48) hours of the date of hearing. Although it is not anticipated that such cases will involve substantial questions of contract interpretation, the decision of the arbitrator will have the same force and effect as an award rendered pursuant to the more formal arbitration procedure detailed in Section 6.3. The arbitrator shall, in no event, have the power to disregard or modify any provisions of the Agreement.

The parties agree, in such expedited cases, to present a stipulated issue to the arbitrator in advance of the hearing. Either party may withdraw its consent to submit an issue to the expedited process up to, but not after, the time at which the hearing is convened.

6.5 Constructive Advice Records - During any investigation which may lead to disciplinary action, the employee, upon request, shall have the Union steward or Union representative present.

6.6 Authority of Executive Board - At any step in the Grievance Procedure, the Executive Board of the Local Union will have the final authority in respect to any aggrieved employee covered by his Agreement to decline to process a grievance, complaint, difficulty or dispute further, if in the judgment of the Executive Board, such grievance lacks merit or lacks justification under the terms of this Agreement, or has been adjusted or justified under the terms of this Agreement to the satisfaction of the Union Executive Board.

6.7 It is the intent of the parties to this Agreement that all employees within the bargaining unit covered by this Agreement exercise all their rights, privileges or necessary procedures under this Agreement, International or Local Constitution, in the settlement of any and all complaints or grievances filed by such employee before taking any action outside the scope of this Agreement for the settlement of such grievance.

ARTICLE 7. HOURS OF WORK

7.1 The hours for each employee shall be scheduled by the Employer, subject to the provisions of this Agreement.

7.2 The workweek for all employees shall consist of forty (40) hours in five (5) days Monday through Friday.

7.3 All work in excess of forty (40) hours per week, in excess of eight (8) hours per day, shall be paid at time and one-half. When the employer finds it necessary to have employees work overtime, such overtime hours shall be offered to employees on the basis of seniority within classification to the extent feasible in order for the involved work duties to be satisfactorily accomplished. No pyramiding.

7.4 Hours spent at business meetings called by the employer before or after business hours shall be counted as hours worked and shall be paid for accordingly.

7.5 One hour on the employee's own time shall be allowed for a meal period on each workday.

7.6 The employer will continue to make suitable provisions of recording of hours worked.

7.7 All employees shall receive two (2), fifteen (15) minute rest periods daily.

ARTICLE 8. HOLIDAYS - NATIONAL

8.1 The following shall be considered holidays: Thanksgiving Day, Day after Thanksgiving, Christmas Eve Day, Christmas Day, New Year's Day, Memorial Day, Fourth of July, and Labor Day.

If these holidays fall on Saturday, the preceding Friday will be a holiday. If they fall on Sunday, the following Monday will be a holiday.

In a week in which one the above holidays occurs, full- time employees who work their scheduled work day before and their scheduled work day after the holiday will receive eight (8) hours straight time pay in addition to the hours actually worked. Absence during a holiday week caused by illness or absence approved in advance by the Employer shall not disqualify employees for holiday pay, provided the have performed some work in the holiday week.

The Employer will endeavor to maintain the employees' holiday as listed in this Section as non- working days. However, in the event it becomes necessary for the employer to require employee(s) to work on their holiday, the employer will recognize the employee's right to volunteer by seniority for such work to the extent feasible and/ or will require such employee(s) to work an inverse seniority basis extent feasible. Any such employee(s) who report to work the day after Thanksgiving shall be entitled to straight time and holiday pay. Any such employee(s) who report to work on any other of the listed holidays shall receive time and one half (1 ½) their rate of pay, exclusive of their holiday pay.

ARTICLE 9. VACATIONS

9.1 Vacation Schedule:

<u>TERM OF SERVICE FROM ANNIVERSARY DATE</u>	<u>VACATION TIME PER ANNIVERSARY YEAR</u>
1 year through 3 years	1 week
3 years and beyond	2 weeks

9.2 Holidays shall be in addition to vacation.

9.3 Any employee who has not taken his vacation earned by his length of service, and who leaves employment with the employer upon two (2) weeks' notice, or is separated for any reason other than left, shall receive such earned vacation at the time leaving.

9.4 If a holiday occurs during an employee's vacation, a full-time employee shall receive eight (8) hours straight time pay or an additional day.

9.5 No employee shall be permitted to take pay in lieu of vacations, except upon mutual agreement between the office manager and the employee involved.

ARTICLE 10 LEAVES OF ABSENCE

10.1 Sick Leave - Any employee shall be granted a sick leave (illness, injury, pregnancy, and occupational) not to exceed ninety (90) days, upon written request supported by medical evidence provided by the attending physician(s) which specifies that the employee is disabled and cannot perform regular work duties. Extensions of ninety (90) days at a time to a total of one (1) calendar year shall be granted upon written request supported by medical evidence.

Upon written notice to the manager no later than Wednesday by noon of availability for work following absence because of a bona fide sick leave (illness, injury, pregnancy and occupational), the employee shall be restored to the job previously held and shall begin work on the next posted work schedule. The notice to the Employer must be accompanied by a doctor's release which specifies that the employee is able to perform fully all assigned work duties, and such release must be presented to the manager prior to the posting of the work schedule as referred to above. However, it is the intent of the parties that nothing in this provision shall affect any rights of the Employer to consider light duty work when available for employees whose physical specifies such employees are partially disabled.

10.2 Union Leave - The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by

the Union to attend a labor convention or serve in any capacity on other official Union business, provided the Employer is given at least fourteen (14) days notice in writing specifying the length of time off, but in no case shall the cumulative length of time off exceed one (1) year.

It is understood that the number of employees so designated, requesting this leave, will not be so great in total or on an individual store basis so as to adversely affect the prudent operation of the Employer's business.

10.3 Personal Leave - Any employee who has had one (1) year of continuous service may be granted a leave of absence up to thirty (30) days for an urgent or compelling reason, but not for the purpose of engaging in gainful employment elsewhere.

10.4 Military Leave - Any employee coming under the provisions of the Federal Selective Service Training Act of 1940 shall be returned to their job and retain their seniority according to the provisions of that Act and its amendments.

10.5 Securing Permission for Leave - Any employee who is qualified for a leave of absence as set forth in this Article, and who desires a leave of absence for more than fourteen (14) days shall secure written permission from the Human Resource Department of the Employer with a copy to the Union, the length of absence to be agreed by the Employer and the employee. The length of leave shall be commensurate with the need. Failure to comply with this provision shall result in the complete loss of seniority of the employee involved.

10.6 Funeral Leave - The Employer agrees to pay an employee for necessary absence on account of death in the "immediate family" up to and including a maximum of three (3) scheduled work days at straight-time (a maximum of four (4) scheduled work days at straight-time in the event of death of the employee's spouse or child), not to extend beyond the day of burial, provided the employee attends the funeral, but in no case they will receive more than the basic weekly pay.

The term "immediate family" shall mean spouse, parent, child, employee's step-parent, step-child, brother, sister, father-in-law, mother-in-law, employee's grandparents, grandchildren, or any other relative residing with the employee or with whom the employee is residing. In the event the death in the "immediate family" is the death of a relative who lives out of town and additional time is necessary, the Employer will grant additional time off without pay for the purpose of attending the funeral. Proven falsification of the above shall be cause for discharge.

10.7 Jury Duty - If any employee is required to serve on a jury, they shall be paid for hours necessarily absent from work because of such service in addition to jury fee remuneration.

ARTICLE 11. GENERAL WORKING CONDITIONS

11.1 Pay Day - The Employer shall establish a regular pay day and furnish to each employee on such pay day a wage statement showing the payroll ending date, name of employee, total hours worked, total amount of wages paid and itemized deductions made there from.

11.2 Time Clocks/Computerized Recording - The Employer shall continue to provide recording hours worked by each employee covered by this Agreement.

ARTICLE 12. UNION COOPERATION

12.1 The Union agrees to uphold the rules and regulations of the Employer in regard to punctual and steady attendance, proper and sufficient notification in case of necessary absence, conduct on the job and all other reasonable rules and regulations established by the Employer.

12.2 The Union agrees to cooperate with the Employer in maintaining and improving safe working conditions and practices, in improving the cleanliness and good housekeeping of the stores, and in caring for equipment and machinery.

12.3 The Union recognizes the need for improved methods and output in the interest of the employees and the business and agrees to cooperate with the Employer in the installation of such methods, in suggesting improved methods and in the education of its members in the necessity for such changes and improvements.

12.4 The Union recognizes the need for conservation and the elimination of waste and agrees to cooperate with the Employer in suggesting and practicing methods in the interest of conservation and waste elimination.

ARTICLE 13. HEALTH & WELFARE

13.1 The Employer agrees to pay the monthly contributions necessary to maintain the full-time health and welfare plan that is applicable on the effective date of this Agreement. Two monthly contributions are required for the first month a new participant becomes eligible for benefits.

13.2 The Employer agrees to pay the monthly contributions necessary to provide a PPO B1H four tier plan for eligible full-time employees, excluding administrative. The contribution rate shall be adjusted up or down annually in accordance with guidelines established by the trustees of the Plan to maintain benefits and appropriate reserve levels. Contributions shall be submitted to the Fund by the tenth (10th) day of each month.

13.3 Eligibility For Full-Time Plan - The term eligible employee shall mean an employee who has worked an average of thirty-four (34) hours or more (including Sunday and/or holiday hours worked and/or paid) for eight (8) consecutive weeks immediately preceding the first day of any month. Employees who attain full-time status shall receive full-time benefits as of the first of the month following such status change.

13.4 Contributions to the Trust Fund shall be discontinued as of the first day of the month following:

- (a) Approved leave of absence (personal)
- (b) Voluntary quit
- (c) Termination for cause
- (d) Employee's request for change in status from full-time to part-time
- (e) The employee ceasing to be an eligible employee because of failure to work an average of thirty-four (34) hours per week for the eight (8) weeks immediately preceding the first of such month.

13.5 Contributions to the Trust Fund shall be continued under the following conditions:

In case of absence from work due to illness, pregnancy and/or injury, six (6) months contributions following the month in which illness started or accident occurred.

13.6 Employer contributions which have been discontinued as provided for in Sections 13.4 and 13.5 above will be resumed on the first day of the month immediately following return to work on the Employers active payroll after illness, injury, pregnancy or leave of absence. However, if an employee has been disqualified as provided in Section 13.4 (e) above, he must again qualify as an eligible employee as provided in Section 13.3 above before a contribution will be made in his behalf.

13.7 Commencement of Contributions - Contributions for all eligible full-time employees shall commence on the first of the month following when the employee meets the eligibility requirements in Section 13.3.

ARTICLE 14. WAGES

14.1 The employer agrees to pay a minimum of ten (10) dollars per hour and reserves the right to pay above the minimum based on experience and ability.

ARTICLE 15. EXPIRATION

15.1 This Agreement shall be effective January 1, 2020, and shall continue through December 31, 2022, and shall automatically be renewed from year to year thereafter, unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date or prior to any anniversary thereafter of a desire for termination of or changes in this Agreement.

FOR THE UNION:

UFCW LOCAL 75

BY: Karen Brown

BY: _____

FOR THE EMPLOYER:

KOCH REFRIGERATION &
AIR CONDITIONING, INC.

BY: James M. Bitzenhofer

BY: _____